

Best Practice

Affordable Housing Business Plan

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THE PRACTICE

The cost of housing has risen significantly in Saskatoon since 2006. Over the past three years the price of the average Saskatoon home has doubled and rental rates have risen accordingly. Household incomes have increased only slightly during this same period putting adequate housing beyond the reach of many Saskatoon families.

THE PROCESS

City Council responded to this challenge on July 16, 2007 by setting a goal of creating 500 new affordable housing units on annual basis. In November 2007, City Council adopted a new comprehensive Affordable Housing Business Plan that was updated and enhanced in January 2009.

The Affordable Housing Business Plan was the result of extensive research and local adaptation of known housing programs and the creation of new programs. Community consultations have been held at various stages of planning and implementation to assist City Council in selecting programs that they felt would be successful in Saskatoon.

The Affordable Housing Business Plan uses five core strategies all aimed at increasing and preserving the supply of affordable housing. These core strategies are the tools that the City is using to stimulate the construction of new housing units and include Policy Improvements, Financial Incentives, Partnerships, Research and Public Education. These core strategies are divided into 29 business components. Each one plays a part in stimulating the construction of new housing units.

The business components of the plan are varied. Some of the most unique components include: pre-designating land for affordable housing, developing a new affordable zoning district, establishing a permanent affordable housing trust model that allows tenants to build equity, permitting the construction of garage and garden suites, contributing ten percent of the full capital cost of affordable housing projects, providing \$5,000 per unit for rental construction, offering five-year tax abatements, establishing a mortgage flexibilities assistance program, funding business planning activities to enable faith and community groups to build affordable housing, researching perceived barriers to constructing affordable housing, demonstrating how military housing can be moved and re-used, and publishing a housing handbook to assist members of the public searching for suitable housing.

THE RESULTS

A total of 379 new affordable homes were counted in 2008 as part of the evaluation of the first year of the Affordable Housing Business Plan's implementation. While short of the 500 unit per year target, this was a significant achievement given the fact that many of the Plan's initiatives were still in the development stage during 2008.

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There has been plenty of interest in new affordable housing projects in Saskatoon in the first three months of 2009 indicating that the 500 unit target will be reached or exceeded by the end of the year.

LESSONS LEARNED

The biggest challenge has been the length of time that it takes to create affordable housing and to implement policy changes to support these projects. Larger multi-family projects often take two years from the idea stage until units are ready. Some of the policy changes such as the new zoning district for affordable housing will require at least another year before they start to influence the market.

Taking a long term perspective on affordable housing has been important to the City of Saskatoon. The need for housing may be immediate but effective solutions are sometimes long term. Increasing the supply and range of affordable housing options will go a long way towards building a stronger community and enabling all citizens to participate in all that Saskatoon has to offer.